



STATE OF DELAWARE
DEPARTMENT OF FINANCE
DIVISION OF ACCOUNTING

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MEMORANDUM

#06-17

TO: All Department and School Fiscal Officers

FROM: Trisha L. Neely, Director

DATE: April 7, 2006

SUBJECT: **SOUTHERN STATES REGULATORY/ENVIRONMENTAL FEE**

The division was recently notified by a State organization that one of our vendors, Southern States, has begun to include a regulatory/environmental fee on the vendor invoice for providing propane gas service to several State-owned and operated facilities. This fee was announced last year as a separate line item that would appear on future invoices.

Based on research conducted by the Department of Finance's Deputy Attorney General, "it appears that not only can Southern States assess this fee, but the State and its agencies do not appear to be exempt from it". Accordingly, it is the opinion of our Deputy Attorney General that the fee, if disclosed up front and delineated on the invoice as a separate item, can be assessed and there does not appear to be an exemption for State users from this fee or surcharge.

Any questions regarding this fee should be directed to your State Accountant.

TLN:eed